

CONTRACT PERIOD THROUGH DECEMBER 31, 2004

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **EMPLOYEE LIFE INSURANCE**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **August 8, 2001**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/lc
Attach

Copy to: Clerk of the Board
Sue Wybraniec, Human Resources
~~Peter Cerchiaro~~ **Karen Bejarano**, Human Resources
Monica Mendoza, Materials Management

SPECIFICATIONS ON INVITATION FOR BID FOR: EMPLOYEE LIFE INSURANCE

1.0 Intent

It is the intent of Maricopa County to solicit proposals for life insurance and/or accidental death and dismemberment (AD&D) plans commencing January 1, 2002. This bid may be a multiple award and the proposer may bid on any of the following according the specifications herein defined for:

- Employee Basic Life and AD&D, and employee and dependent Supplemental Life & AD&D
- Employee Basic Life and employee and dependent Supplemental Life, or
- Employee Basic AD&D and supplemental Employee and Dependent AD&D

BACKGROUND

Maricopa County (the County) services employees in urban, suburban and rural areas within the County. The County's active employees reside in the Phoenix metropolitan area as well as Gila Bend, Wickenburg, etc. Maricopa County Government is under the control of a five-member Board of Supervisors, elected every four years. In addition, seven departments are controlled by elected officials: Assessor, Treasurer, Recorder, Sheriff, County Attorney, Superintendent of Schools, and Clerk of Superior Court. A presiding judge leads the Superior Court System.

The County Administrative officer reports to the Board of Supervisors and is responsible for the operation of those departments under the control of the Board (those not identified in the previous paragraph), and for implementation of Board policy. Four other officers support the CAO: the Deputy County Administrator, Chief Information Officer, Chief Financial Officer, Chief Community Services Officer, Chief Health and Human Services Officer, and Chief Public Works Officer.

2.0 Technical Specifications: Scope of Work

In addition to the minimum requirements noted in Section 3.0, your proposed and ultimately contracted services, must comply with the following scope of work:

- 2.1** The life insurance benefits are listed below. The life insurance plan proposed design specifications herein must match exactly what you propose. Any differences must be specifically noted in the questionnaire response section.
- 2.2** The accidental death and dismemberment plan of benefits is also listed below. The accidental death and dismemberment plan design is provided as a minimum benefit level. Plan designs proposed must meet the minimum plan design requirements described below, however, you are encouraged to submit richer benefit plans, if available.
- 2.3** Please review the Life Insurance plan booklet located in the Attachments section for further information on the benefit plan design provisions. Keep in mind the benefits listed below and requested may differ from the booklet. The booklet is simply provided as a reference for items not listed below.
- 2.4** The effective date of the contract will be January 1, 2002. The rates must be pre-determined for at least the first 3 contract years.
- 2.5** The policy's or contract's rate change date and anniversary will fall on January 1st. All contract or benefit changes will only occur on this date unless previously agreed to in writing by all parties.
- 2.6** Written, 8-month rate change notification must be given prior to the anniversary dates for years 4 and 5 and will include supporting documentation. The first notification is due April 1, 2004 for year 4 of the contract (2005). Preliminary, non-binding renewal projections to assist the County in the budgetary process must be provided as requested.

- 2.7** The awarded vendor will be required to accept from the County electronic eligibility, enrollment/coverage verification, and premium files needed to administer the plan.
- 2.8** Maricopa County Benefits Administration will maintain and verify eligibility for all benefits.
- 2.9** The County will make final determination on errors and has ultimate authority to correct administrative errors. The County shall be the final determinant for all eligibility issues.
- 2.10** Premiums are paid monthly based on 13 cycles per year, or 26 payroll cycles. Monthly premiums are converted to correspond to the 26 pay periods. Premiums will be paid, therefore, every 4 weeks, and approximately 23-25 days after the end of the month.
- 2.11** The County maintains the right to accept, reject, or cancel the contract at any time, if there is a significant change in the County's opinion in the contractor's operation of the plan, including but not limited to, satisfaction with customer and client service quality of the plan.
- 2.12** Vendor must provide, at least quarterly, a loss ratio report, reporting premium, incurred claims, and retention expense.
- 2.13** Carrier must include a contract provision that all forms, documents, summaries and all marketing materials are automatically provided electronically as the standard method. Also, printed materials would still be required for the account for certain documents such as SPDs or certificates printed as needed, at most, once annually for each employee's use. But, the first version of all information would be an electronic version, after review and approval by the client. The vendor in the contract does not assume cost of distribution of documents.
- 2.14** Vendor will print and provide in bulk (drop shipment), plan SPDs' upon approval of same document and the number by the County Benefits Division.
- 2.15** Electronic Capability shall include:
 - 2.15.1** EDI for eligibility, enrollment/coverage verification, and billing information between vendor and client, and
 - 2.15.2** Internet Capability. As needed.
- 2.16** Contractor must provide quarterly County specific claims experience reports including premiums collected and claims paid by line of coverage (i.e., basic employee life and supplemental employee life).
- 2.17** Rates should be quoted net of commissions, however, if commissions are built into the rates and cannot be stripped out of the rates they must be disclosed on each product (i.e., basic life, basic AD&D, supplemental life). If commissions must be included in rates/contract, then those commissions must be paid to our broker of record, Buck Consultants.
- 2.18** All rates must be guaranteed for three years.
- 2.19** Basic and Supplemental life coverage and rates must be Section 79 compliant to avoid any imputed income problems. Carrier will provide report of compliance with Section 79 requirements based on plan schedules and coverage amounts provided by the County.
- 2.20** No additional fees will be paid beyond the premiums specified on your premium exhibit.

- 2.21** The County reserves the right to hold open enrollments and allow for family status changes under Section 125 within 31 days of such change. Employees may make any change consistent with their change in family status. The contractor must allow increases of one times then pay at open enrollment.
- 2.22** No minimum participation requirements will be allowed.
- 2.23** The policy's or contract's rate change date and anniversary will fall on January 1st. All contract or benefit changes will only occur on this date unless previously agreed to in writing by all parties.
- 2.24** The contractor must have the capability to accept electronic funds transfer.
- 2.25** A full annual accounting will be furnished within four months of the end of the policy year, and will show premium, paid claims, retention analysis, beginning and ending reserves, and pooled premiums and claims.
- 2.26** Contractor will meet with County Benefits personnel to establish administrative and claims payment procedures.
- 2.27** County Benefits will coordinate and train with Contractor personnel prior to open enrollment to support open enrollment meetings and presentations.
- 2.28** The contractor will be required to provide representatives to attend group transition sessions for employees. The representative would be scheduled in Maricopa County at varied times and sites. The representative would, at the request of the County, answer questions and/or make a brief presentation. No additional fees may be charged for this service.
- 2.29** The contractor will provide and pay for all enrollment, conversion,, and claim forms, checks, certificates of insurance, employee booklets, identification cards, announcement forms, and any other forms required for proper administration of coverage.
- 2.30** Actively at work provisions will be waived for transition of coverage, during the initial open enrollment period.
- 2.31** Vendor will provide dual underwriting for all conversions if available. If member is not substandard risk on questionnaire then preferred rates will be offered. Only if member presents substandard risk will they be charged conversion rates for those evidenced with health risks versus the healthy plan participant converting.
- 2.32** Takeover will be on a "no-loss, no-gain" basis; that is, no individual will lose coverage or be subject to a new pre-existing conditions limitation solely on the basis of a change in carrier. The actively-at-work provision will be waived for individuals who are not actively-at-work (including those who are hospital confined) and who are not eligible for extended coverage under the current contractor's program(s).
- 2.33** Proceeds must be distributed via multiple options for beneficiaries. Please list those pay-out options.
- 2.34** Carrier will follow and comply with the following plan design/schedule:

 - 2.34.1** Basic and Supplemental Employee Life Insurance

 - 2.34.1.1** Maximum combined basic and supplemental coverage total of \$1,000,000.
 - 2.34.1.2** Basic life is equal to 1 x pay, no limit, based on a flat rate per \$1,000 of coverage.

- 2.34.1.3** Supplemental employee life based on pay increments of 1x, 2x, 3x, ~~or 4x or 5x~~ pay up to the medical underwriting and maximum limits noted with per \$1000 rates based on 5-year age categories and provided on a tobacco and non-tobacco rate bases.
- 2.34.1.4** Minimum guarantee issue amount is 1 x salary for Basic and ~~\$300,000~~ ~~\$500,000~~ for Supplemental coverage **\$500,000 combined.**
- 2.34.1.5** Salary excludes overtime, bonus or commissions.
- 2.34.1.6** Accelerated death benefit is combined at 50% to a maximum of ~~\$250,000~~ **\$750,000.**
- 2.34.1.7** Retrospective rating on the basic life (billed rate equals 80% of maximum) and experience rating (with premium holiday for good experience) on the Supplemental life.
- 2.34.1.8** ~~Basic and~~ Supplemental coverage is portable **without** waiver of premium. ~~Basic coverage is not portable nor with premium waiver, i.e., death benefits only~~
- 2.34.2** Dependent Life Insurance
- 2.34.2.1** Children are defined as age 14 days to 19 years; less than 25 years if full time student.
- ~~**2.34.2.2** Supplemental spouse life rates should be age based and provided on a tobacco and non-tobacco rate basis.~~
- ~~**2.34.2.3** Maximum coverage is \$500,000 for spouse and \$20,000 for children.~~
- ~~**2.34.2.4** Maximum guarantee issue is \$20,000 ~~25,000~~ for spouse and \$20,000 for children.~~
- ~~**2.34.2.5** Spouse and children elections can be made separately.~~
- ~~**2.34.2.6** Coverage increments are \$10,000 for spouse and \$5,000 for children.~~
- ~~**2.34.2.7** Accelerated death benefit is 50% to \$250,000 for spouse and \$0 for children.~~
- ~~**2.34.2.8** The coverage should be underwritten as, non-participating experience rated or pooled.~~
- ~~**2.34.2.9** Spouse **Dependent** life is portable if employee ports their own coverage. ~~Child life is not portable.~~~~
- ~~**2.34.2.10** Spousal life insurance amounts shall not exceed 100% of employee coverage in accordance with Arizona law.~~
- 2.34.3** Accidental Death and Dismemberment
- 2.34.3.1** Basic employee AD&D will be included and match the life insurance coverage amount.
- 2.34.3.2** Supplemental employee and family AD&D will be offered on a stand alone basis, in other words, employees can choose to purchase employee only or full family AD&D coverage.
- 2.34.3.3** AD&D benefits for all coverages will include but not be limited to the following by coverage type/levels (i.e., employee, spouse, children):
- Loss of life Full Amount
 - Loss of both hands, both feet
or sight of both eyesFull Amount
 - Loss one hand and one footFull Amount
 - Loss of one hand or one foot
and sight of one eyeFull Amount
 - Loss of one hand or one foot
or sight of one eye ½ Full Amount

SERIAL 01091-SC

Quadriplegia	Full Amount
Paraplegia	1/2 3/4 Full Amount
Hemiplegia	1/2 Full Amount
Safe Driver	additional 10% to \$25K/seat belts additional 15% to \$40K for belt and airbag
Child Care	additional 3 5% to \$ 25 3K/year for up to 6 years/(for children under 13 years old in a day care)
Dependent Education.....	additional 5% to max 5K for up to 4 years (maximum \$5,000).....(for children in post secondary school)
Occupational Assault	additional amount (100%) up to amount otherwise payable for this loss up to a max. (100%) of \$10K
Transportation (75+ miles from home).....	additional 2% up to maximum of \$2K
Common Carrier	additional amount equal to AD&D amount otherwise payable for this loss up to (100%) a max. of \$50K.
Coma	an additional 2 + 2 2% of Full Amount per month for up to 12 months (\$24,000 max.) 100 50 months (\$ Full Amount)

2.35 TAX

No tax shall be levied. Bid pricing to include all costs, overhead, profit, and any taxes that may be levied. It is the responsibility of the bidder to determine any and all taxes and include the same in bid price.

2.36 COPIES

Bidders must furnish 1 original and 3 copies of their bid response.

3.0 SPECIAL TERMS & CONDITIONS:

Minimum Requirements

- 3.1 A.M. Best financial class size of IX or higher under last rating and an AM Best's Rating of A- or better.
- 3.2 Licensed in State of Arizona.
- 3.3 Carrier may provide a full cash flow funding arrangement (OPTIONAL) for basic life insurance coverage along with an experience-rated conventionally funded insurance rate quotation for basic life and 5-year age rates for supplemental and spouse life insurance. AD&D must be provided on non-participating pooled coverage basis.
- 3.4 The Carrier must include and describe all charges in the rates and renewal calculations in detail in your bid.
- 3.5 Vendor must accept electronic file for eligibility, enrollment/coverage verification for premium and claim recording purposes according to data specs established by Maricopa IS.
- 3.6 Must provide a of a three-year guarantee on the rates quoted.

3.7 Vendor must have at least 3 accounts with populations of more than 5000 employees.

3.8 **CONTRACT LENGTH:**

This Invitation for Bids is for awarding a firm, fixed price-purchasing contract to cover a THREE- (3) year period.

3.9 **OPTION TO EXTEND:**

The County may, at their option and with the approval of the Contractor, extend the period of this Contract up to a maximum of FOUR (4), one (1) year options. The Contractor shall be notified in writing by the Materials Management Department of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

3.10 **INDEMNIFICATION AND INSURANCE:**

3.10.1 INDEMNIFICATION:

To the fullest extent permitted by law, the **CONTRACTOR** shall defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or resulting from the acts, errors, omissions, or mistakes relating to the performance of this Contract. **CONTRACTOR'S** duty to defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any act, errors, omissions or mistakes in the performance of the Contract including any person for whose acts, errors, omissions or mistakes, the **CONTRACTOR** may be legally liable

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

Abrogation of Arizona Revised Statutes Section 34-226:

In the even that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then to the fullest extent permitted by law, the **CONTRACTOR** shall defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or resulting from **CONTRACTOR'S** work or services. **CONTRACTOR'S** duty to defend, indemnify and hold harmless, the **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the **CONTRACTOR**, anyone **CONTRACTOR** directly or indirectly employs or anyone for whose acts **CONTRACTOR** may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including the **COUNTY**.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of the **COUNTY**.

3.11 **INSURANCE REQUIREMENTS:**

CONTRACTOR, at **CONTRACTOR'S** own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the **COUNTY**, constitute a material breach of the Contract.

The **CONTRACTOR'S** insurance shall be primary insurance as respects the **COUNTY**, and any insurance or self-insurance maintained by the **COUNTY** shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the **COUNTY**.

The insurance policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the **COUNTY** under such policies. The **CONTRACTOR** shall be solely responsible for the deductible and/or self-insured retention and the **COUNTY**, at its option, may require the **CONTRACTOR** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The **COUNTY** reserves the right to request and receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONTRACTOR** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONTRACTOR** from, or be deemed a waiver of, the **COUNTY'S** right to insist on strict fulfillment of **CONTRACTOR'S** obligations under this Contract.

The insurance policies, required by this Contract, except Workers' Compensation, shall name the **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The insurance policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against the **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of **CONTRACTOR'S** work or service.

- 3.11.1** Commercial General Liability. **CONTRACTOR** shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000.00 for each occurrence with a \$2,000,000.00 Products/Completed Operations Aggregate and a \$2,000,000.00 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of the Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. The coverage shall include X, C, U.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, CG 20 10 11 85, and shall include coverage for **CONTRACTOR'S** operations and products and completed operations.

If the **CONTRACTOR** subcontracts any part of the work, services or operations awarded to the **CONTRACTOR**, he shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and d **CONTRACTOR'S** Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the **CONTRACTOR'S** work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000.00 per occurrence, and the policy shall be issued by the same insurance company that issues the **CONTRACTOR'S** Commercial General Liability Insurance.

- 3.11.2** Automobile Liability. **CONTRACTOR** shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000.00, each occurrence, with respect to **CONTRACTOR'S** vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

- 3.11.3** Workers' Compensation. The **CONTRACTOR** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONTRACTOR'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000.00 for each accident, \$1,000,000.00 disease for each employee, and \$1,000,000.00 disease policy limit.

In case any work is subcontracted, the **CONTRACTOR** will require Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the **CONTRACTOR**.

3.12 **CERTIFICATES OF INSURANCE:**

Prior to commencing work or services under this Contract, **CONTRACTOR** shall furnish the **COUNTY** with Certificates of Insurance, or formal endorsements as required by the Contract, issued by **CONTRACTOR'S** insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number and title.

In the even any insurance policy(ies) required by this Contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the **CONTRACTOR'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the **COUNTY** fifteen (15) days prior to the expiration date.

3.13 CANCELLATION AND EXPIRATION NOTICE:

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the **COUNTY**.

3.14 TERMS AND PAYMENT:

Payment under Contract will be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the Purchase Order. Invoices shall contain the following information : Purchase Order number, item numbers, description of supplies and/or services, sizes, quantities, unit prices and extended totals and applicable sales/use tax. The county is not subject to excise tax.

3.15 USAGE REPORT:

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

3.16 TECHNICAL AND DESCRIPTIVE LITERATURE:

Bidder(s) must include complete technical and descriptive literature regarding the SERVICE they propose to provide. Literature shall be sufficient in detail in order to allow full and fair evaluation of the offer submitted. Failure to include this information may result in the bid being rejected.

3.17 INTERNET ORDERING CAPABILITY:

It is the intent of Maricopa County to utilize the Internet to place orders under this Contract. Proposers without this capability maybe considered non-responsive and not eligible for award consideration.

3.18 INQUIRIES:

All inquiries concerning information herein shall be addressed to:

MARICOPA COUNTY
DEPARTMENT OF MATERIALS MANAGEMENT
ATTN: CONTRACT ADMINISTRATION
320 WEST LINCOLN STREET
PHOENIX, AZ 85003

Administrative telephone inquiries shall be addressed to:

STEVE DAHLE, LEAD PROCUREMENT CONSULTANT, 602-506-3450
(sdahle@mail.maricopa.gov)

Technical telephone inquiries shall be addressed to:

PETER CERCHERIA, EMPLOYEE BENEFITS 602-372-2837

Inquiries may be submitted by telephone buy must be followed up in writing. No oral communication is binding on Maricopa County.

4.0 CONTRACT TERMS AND CONDITIONS:

4.1 LANGUAGE FOR REQUIREMENTS CONTRACTS:

Contractors signify their understanding and agreement by signing this document, that the Contract resulting from this bid will be a requirements contract. However, this Contract does not guarantee that any purchases will be made. It only indicates that if purchases are made for the services contained in this Contract, that they will be purchased from the Contractor awarded that item. Orders will only be placed when a need is identified by a Using Agency or department and proper authorization and documentation have been approved.

4.2 ESCALATION:

Any requests for price adjustments must be submitted thirty (30) days prior to the Contract renewal date. Justification for the requested adjustment in cost of labor and/or materials must be accompanied by appropriate documentation. Escalation shall not exceed the increase in the U.S. Department of Labor (Bureau of Labor Statistics) Consumer Price Index for Urban Consumers. Increases shall be approved in writing by the Materials Management Department prior to any adjusted invoicing submitted for payment.

4.3 UNCONDITIONAL TERMINATION FOR CONVENIENCE:

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

4.4 TERMINATION FOR DEFAULT:

If the Contractor fails to meet deadlines, or fails to provide the agreed upon service/material altogether, a termination for default will be issued. The termination for default will be issued only after it is deemed by the County, that the Contractor has failed to remedy the problem after being forewarned.

4.5 TERMINATION BY THE COUNTY:

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate this Contract. If the Contractor should persistently or repeatedly refuse or should fail. Except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of , a substantial violation of any provision of this Contract, then the County may terminate this Contract. Prior to termination of this Contract, the County shall give the Contractor fifteen (15) calendar days written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

4.6 APPROPRIATION CONTINGENCY:

The Contractor recognized that any agreement entered into shall commence upon the day fires provided and continued in full force and effect until termination in accordance with its provisions. The Contractor and the County herein recognized that the continuation of any contract after the close of any given fiscal year of the County which fiscal years end June 30 of each year, shall e subject to the approval of the budget of the County providing for or covering such contract item as an expenditure therein. The County does not represent that said budget item will be actually adopted, said determination being the determination of the County Board of Supervisors at the time of the adoption of the budget.

4.7 ORGANIZATION – EMPLOYMENT DISCLAIMER:

The Contract is not intended to constitute, create, give rise to or otherwise recognize a joint venture contract or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties shall be only those expressly set forth in the Contract.

The parties agree that no persons supplied by the Contractor(s) in the performance of obligations under the contract are considered to be County employees, and that no rights of County civil service, retirement or personnel rules accrue to such persons. The Contractor(s) shall have total responsibility for all salaries, wages, bonuses, retirement withholdings, workmen's compensations, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold the County harmless with respect thereto.

4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.9 OFFSET FOR DAMAGES;

In addition to all other remedies as Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.10 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete services to this Contract. Should a service requirement be deleted, payment to the Contractor will be reduced proportionally, to the amount of service reduced in accordance with the bid price. Should additional services be required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.11 SUBCONTRACTING:

The Contractor may not assign this Contract or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

4.12 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.13 CONFORMATION WITH THE LAW:

This service shall be accomplished in conformity with the laws, ordinances, rules, regulations and zoning restrictions of the United States of America, the State of Arizona, County of Maricopa and the City of Phoenix.

4.14 CONTRACT COMPLIANCE MONITORING:

The Materials Management Department and the using Agency(ies) shall monitor the Contractors' compliance with, and performance under, the terms and conditions of the Contract. The Contractor shall make available for inspection and/or copying by the County all records and accounts relating to the work performed or the services provided by this Contract.

4.15 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The Department, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all said materials.

4.16 ADEQUACY OF RECORDS:

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that allowable services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.17 AUDIT DISALLOWANCES:

If at any time it is determined by the Department that a cost for which payment has been made is a disallowed cost, the Department shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the Department either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

4.18 P.O. CANCELLATION LANGUAGE:

The Department of Materials Management reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor but only for actual and documentable costs incurred by the Contractor due to an after issuance of the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.

Contractors agree to accept verbal notification of cancellation from the Department of materials Management with written notification to follow. By submitting a bid in response to the Invitation For Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

4.19 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.20 CONTRACTOR RESPONSIBILITY:

The Contractor will be responsible for any damages whatsoever to County property as applicable when such property is the responsibility or in the custody of the Contractor, his employees or Subcontractors.

4.21 GUARANTEE:

The materials and supplies called herein shall be the best of their grade and types, prepared according to the best available standards or accepted formulas, and thoroughly tested and subjected to rigid examination and standardization. Items not meeting these requirements shall be replaced at no cost to the County upon due notice of deficiency.

4.22 DELIVERY:

It shall be the Contractor's responsibility to meet the County's delivery requirements, as called for in the Technical Specifications. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

4.23 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.24 SECURITY AND PRIVACY:

The Contractor agrees that none of its officers or employees shall use or reveal any research or statistical information furnished by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained. Copies of such information shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceedings, unless ordered by a court of competent jurisdiction. The County shall be notified immediately upon receipt of any such order of court, pertaining to production of such information.

The Contractor shall incorporate the foregoing provisions of this paragraph in all of its authorized subcontracts.

UNUM LIFE INSURANCE COMPANY OF AMERICA, 311 W. MONROE, CHICAGO, IL 60606

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: ☒ YES ☐ NO

PRICING: S06 31 01/B0604192

1.0 PRICING:

Conventional Insured Monthly Rates

1.1 EMPLOYEE BASIC LIFE RATE

\$___.10___/\$1000 BILLED RATE

\$___.127___/\$1000 MAXIMUM RECALL RATE

1.2 SUPPLEMENTAL LIFE EE & SPOUSE

5 Year Age Pricing	<u>Non-Smokers</u>	<u>Smokers</u>
Under age 25	\$___.043___/\$1000	\$___.07___/\$1000
25-29	\$___.051___/\$1000	\$___.075___/\$1000
30-34	\$___.067___/\$1000	\$___.083___/\$1000
35-39	\$___.075___/\$1000	\$___.146___/\$1000
40-44	\$___.099___/\$1000	\$___.209___/\$1000
45-49	\$___.178___/\$1000	\$___.414___/\$1000
50-54	\$___.328___/\$1000	\$___.762___/\$1000
55-59	\$___.423___/\$1000	\$___.776___/\$1000
60-64	\$___.720___/\$1000	\$__1.20___/\$1000
65-69	\$__1.02___/\$1000	\$__1.47___/\$1000
	\$ 1.89	
70 and Older	\$__4.59___/\$1000	\$__2.41___/\$1000

~~1.3 DEPENDENT CHILDREN~~

~~\$___.174___/\$1000~~

1.4 Basic AD&D Rate

\$___.025___/\$1000

SUPPLEMENTAL

1.5 Employee AD&D Rate

\$___.025___/\$1000

~~1.6 Family AD&D Rate~~

~~\$___.06___/\$1000~~

1.7 Dependent Life

Option 1

.77 per unit

Option 2

1.54 per unit

Discription of options follows

UNUM LIFE INSURANCE COMPANY OF AMERICA, 311 W. MONROE, CHICAGO, IL 60606**Dependent Life Option 1:**

Spouse	Child Live Birth to 14 days	Child 14 Days to 19 Years (25 years if full time student)
\$5,000	\$1,000	\$2,500

Dependent Life Option 2:

Spouse	Child Live Birth to 14 days	Child 14 Days to 19 Years (25 years if full time student)
\$10,000	\$1,000	\$5,000

Terms: NET 30
 Federal Tax ID Number: 01-0278678
 Telephone Number: 602/ 605-1741
 Fax Number: 602/ 956-6142
 Contact Person: Jeff Griffin
 Vendor Number: 010278678 ~~A~~ B
 E-mail Address: jpgriffin@unum.com
 Contract Period: To cover the period ending **December 31, 2004.**